



Introduction

Use of Cash

According to Age UKⁱ, almost 3 million people are reliant on cash completely, and for more than 25m, it is still a necessity and cash transactions still account for about 40% of all paymentsⁱⁱ. During 2017 there were 3.4 million consumers who almost never used cash at all, instead relying on cards and other payment methods to manage their spending. And of those who used cash at time, many are not necessarily unwilling or unable to use other methods of payment; 92% of them have a debit card, and 72% of them use payment methods other than cash to pay their regular household bills. Nevertheless, there is great diversity in the way in which different people in the UK prefer to manage their finances and conduct their day-to-day spendingⁱⁱⁱ.

There are conflicting reports on the number of older people reliant on cash, but what we do know is that poverty is the biggest indicator of cash dependency^{iv}, and that as we age we get more diverse, widening inequalities that existed during early and middle life on a range of predictors including health, social connections and frailty^v.

More than seven million people (the majority low-income, disabled and unemployed) rely on cash for all their regular payments^{vi}.

Digital literacy

More than 9m adults have low digital literacy, and 4.5m do not have access to the internet^{vii}. For older people, this amounts to 32 per cent of those aged 65+ not using the internet, and internet usage drops for those on lower incomes and those with long term conditions or disabilities^{viii} suggesting that the most marginalised in our communities are also at the most risk of not being online. This inability to bank digitally pushes more people towards leaving the house to do their banking or relying on cash or cheques.

Key Points from this document

This paper explores a number of options for alternatives to cash for shielding people during COVID-19, with a particular focus on older people, identifying the pros and cons for each alternative.

Options to provide food without immediate payment such as **food parcels** and **allowing charging later** are unsustainable in the long run, but provide immediate support.

For those who do have access to the internet, the ability to use digital support ranges from **shopping online** for those with digital skills to buying **digital cards and gift vouchers** or **online transfers** for those who are less confident, but able to use limited technology (potentially with support or training).

Ordering directly with shops **over the phone** using a debit card or paying by cheque (for smaller shops) is an area to be explored.

Utilising **existing payment structures** is an area to explore, used in two case studies in this paper.

Use of family members and volunteers with payment in a range of ways including **allowing a trusted person to access money**, providing payment **to an organisation** and payment by **cheque** or **cash** include a range of options.

Payment by **cheque** appears to be an underutilised means of payment, with over 640 million cheques written each year, it is access to money for shielding people without them having to leave the house. As even paying by cash means eventually having to leave the house to access a cash machine or bank account.

Overall, this review found that there is no single answer to cash alternatives, however, offering a range of options for individuals can support the most vulnerable in our society access the essentials they require.

Schemes

This paper summarises a number of schemes from across Greater Manchester, the UK and abroad. It is not meant to be a complete catalogue of activity, rather gives examples of the range of options organisations, local authorities and individuals can use to pay for food and essentials during the COVID-19 crisis.

The following schemes are ranked according to a recommended benefit to the individual and ease of usage.

Food parcels

Many charities and organisations are providing food parcels free of charge for shielded people. These are delivered by volunteers or staff to people who request them. Additional funding for foodbanks was announced on 8th April from Forever Manchester, via the National Emergency Trust and match funded to £200,000 by Greater Manchester Combined Authority (GMCA).

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Does not need access to funds to pay for parcel.	<ul style="list-style-type: none">• Cost of food relies on charity and donations• Shielded person does not get to choose the food they want.• Some shielded people will not take up this offer as they do not want to take charity.• Some people take up the offer when it's not needed, for example, if they couldn't get an online delivery slot.

Shopping online

Many supermarkets, including Sainsbury's, Tesco, Ocado, Morrisons and Asda are currently offering priority online booking for shielded people, using government provided lists^{ix}. Both delivery and Click & Collect services are available, although with click & collect services, some shops require the card paid with in order to collect on the customer's behalf, causing issues if items have been bought by the shielding person, but being collected by a volunteer^x. For the many people who have access to the internet, but are not comfortable shopping online, support can be given through digital inclusion interventions to support.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Payment can be made direct to retailer• Shielded person gets to choose their own food.• Does not require volunteer resource if selecting delivery	<ul style="list-style-type: none">• Many older people and other vulnerable groups are digitally excluded and are unable to shop online.• Click & Collect may require the card the items were paid on• Delivery slots are limited

Allowing a trusted person to access money

Schemes such as the Post Office's 'Payout Now' and Lloyds Banking Group's Power of Attorney (PoA) registration allow a trusted individual to access another individual's bank account.

- 'Payout Now' is the Post Office's one time voucher service that is available to all banks, building societies and credit unions to enable them to send a barcode voucher to their customers via text, email or in the post and which can be exchanged for cash in any Post Office branch^{xi}.
- Lloyds Banking Group's Power of Attorney registration^{xii} (which was implemented prior to the COVID-19 outbreak) requires one in-person conversation within the customer's branch, supported real time referral to a Centre of Excellence (a specialist PoA unit). This removes the need for the person being given power of attorney to be in attendance (for example if they live out of town), but enables them to have access to their relative's bank account to access their account make payments on their behalf.

Some amalgamation of the two could be a way forward for the future.

Pros:	Cons:
<ul style="list-style-type: none"> Shielded person gets access to essentials as needed without leaving house. Enables trusted person to access bank account to pay for food and essentials without needing to have contact with the shielded person. Shielded person gets to choose their own food. 	<ul style="list-style-type: none"> Can still require handling of cash by the caregiver May be open to abuse In-person discussion currently still required by Lloyds (could be changed to over the phone during pandemic?)

Utilising existing structures of payment

Some areas are using existing routes of payment to cover the cost of providing food and essentials.

- The Rochdale Boroughwide Housing (RBH) team are utilising an existing online payment facility (PARIS) usually used to process parking fines and other chargeable council services via the contact centre to collect payment for volunteer shoppers. This can be paid either online or over the phone, although does still require use of a debit or credit card. Volunteer shoppers are then given pre-paid cards. This applies to tenants and non-tenants as pantries are now open to both. The Kirkholt pantry has remained opened and been operating in the Rochdale (Ageing in Place Pilot) AIPP area as a response to COVID-19.
- Sefton Advocacy are working with the Sefton Carers Centre to use direct payment cards to help people pay for shopping, which has yet to be evaluated. The system in Sefton is building on pre-existing scheme for Personal Health Budgets which also gave Sefton Carers Centre an unlimited number of pre-paid cards supplied by Prepaid Financial Services. In response to COVID-19, the Carers Centre pre-load the cards and volunteers shop for people who have been identified as needing help. The volunteer shares the receipt with the Carers Centre and the client and the client is asked to send payment to the Carers Centre either by cheque or Bank Transfer. The Carers Centre also recommend Cash Plus of partnering with a large corporate who may use pre-payment cards for their staff.

Pros:	Cons:
<ul style="list-style-type: none"> Shielded person gets access to essentials as needed without leaving house. Shielded person gets to choose their own food. Risk is taken away from volunteer and sits with the Carers Centre. 	<ul style="list-style-type: none"> Some vulnerable people do not have debit cards or bank accounts.

Allowing charging later

Cheshire West Community Access Team are investigating different approaches to access to food and essentials including the option for town and parish councils paying for shopping and then recharging residents later who can't currently pay.

Others may have relatives that can pay for items and collect payment back at a later date when the lockdown is over. This also has the benefit of allowing relatives to order online and have items delivered to their shielded relative, no matter what distance they live away.

Pros:	Cons:
<ul style="list-style-type: none"> Shielded person gets access to essentials as needed without leaving house. Shielded person gets to choose their own food. 	<ul style="list-style-type: none"> Risk lies with council or individual as to whether they will be able to recover the money. Requires councils, organisations or individuals to have reserves to enable the lending of money. May be some resistance to owing money, particularly amongst those with less money or previous debt issues.

Providing payment to an organisation to provide a volunteer

Organisations can act as a connection between service users and volunteers. Organisations can be paid by bank transfer or cheque, and when the volunteer has purchased and delivered the items, they then refund the volunteer.

This can mean agreeing a maximum price that can be paid, or the volunteer calling the individual at checkout to confirm they are happy with total cost.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Shielded person gets to choose their own food.• Removes onus on volunteer to collect payment.	<ul style="list-style-type: none">• Requires resource from organisations to support.• Some older people will not have access to a cheque book or debit card.

Payment by cheque

With around 640 million cheques written each year^{xiii}, there is still an appetite from consumers and businesses for cheques. With increases in digital technology, many banking apps now allow people to immediately pay cheques into their accounts via their smartphone camera, known as cheque imaging.

Although cheques still have the same issue of being a surface that could carry the virus, use of cheque means less concern about counting out exact change and swapping of cash between the volunteer and shielded person.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house• Shielded person gets to choose their own food.• Removes need to cash to change hands.• Removes need for organisation to deal with payments and allows them to focus on managing volunteers.	<ul style="list-style-type: none">• Requires resource from organisations to support volunteers.• Still some risk, as cheques are a surface that virus can live on.

Digital Cards

Many places offer digital cards that can be purchased and topped up online, then delivered to the person you wish to spend it. This can be via a bank, such as Starling^{xiv}, Monzo^{xv} or Revolut^{xvi}, which can be used to make purchases online or in shops like a normal debit or credit card^{xvii} or can be purchased from a specific supermarket, such as Asda^{xviii}, Sainsbury's^{xix} and Morrisons^{xx}, similar to a gift voucher.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Shielded person gets to choose their own food.• Easier than shopping online for whole shop for shielded person.• Risk of abuse is reduced due to the shielded person controlling how much is on the card	<ul style="list-style-type: none">• Many older people and other vulnerable groups are digitally excluded.

Ordering over the phone

Some local shops will take an order over the phone which can be paid for by debit or credit card over the phone and other shops may take cheques which can be posted^{xxi}.

Morrisons is also launching a customer call centre for orders to be taken over the phone so that people who do not shop online can still order food using a debit card.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Shielded person gets to choose their own food.• Payment can be made direct to retailer• Does not require volunteer resource if requesting delivery.	<ul style="list-style-type: none">• Some vulnerable people do not have debit cards or bank accounts.

Online transfer

Countries such as Sweden have well established and well used online transfer systems set up, such as Swish^{xxii}, which two thirds of the country use to transfer money. Online banking or transfer apps such as PayPal can allow for simple transfers between individuals and allows the shielded person to transfer the money they want to spend to the person or to the support organisation who will purchase the shopping on their behalf so there is a record of the transaction^{xxiii}.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house.• Shielded person gets to choose their own food.• Payment can be made to volunteer• Avoids delivery slots that would come with buying online, as still requires a volunteer to visit the shop.	<ul style="list-style-type: none">• Many older people and other vulnerable groups are digitally excluded and do not have access to apps.• Resource needed to support volunteers.

Payment by cash to a volunteer

Prior to the pandemic, many older people were also concerned about the security of on-street ATMs, preferring instead to go into a bank or access an ATM within a supermarket or post office^{xxiv}. Despite guidance that shielded people should not leave their houses, payment by cash may still be the only option available for some older people^{xxv} and should remain an option, particularly for those who are not shielding and therefore taking a daily health walk. The World Health Organisation notes that cash is no more likely to carry the virus than other surfaces^{xxvi}, and as a result, although it is not the preferred method of payment, it should not be ruled out entirely.

Pros:	Cons:
<ul style="list-style-type: none">• Shielded person gets access to essentials as needed without leaving house (if they have access to cash at home).• Shielded person gets to choose their own food.• Removes need for organisation to deal with payments and allows them to focus on managing volunteers.	<ul style="list-style-type: none">• When they run out of cash, they will need access to more, which means leaving the house.• Requires resource from organisations to support volunteers.• Risk of handling cash to pass on virus, particularly if change is needed.• Shops prefer card payment over cash.

A note on Contactless Payments

Despite the World Health Organisation stating that cash is no more likely to carry the virus than other surfaces^{xxvii}, many businesses have moved to a preference for cashless payments, which require no contact at all. In terms of differences between people of different ages, those aged between 25 and 34 were the most likely group to use contactless cards, with 77% of people in this age group making contactless payments during 2017. Whilst people aged 65 or older are less likely than younger people to make contactless payments, more than half of this age group made contactless payments during 2017. Contactless payments are now used by the majority of people in the UK. Although, the North West has the lowest contactless card usage the UK at 58%^{xxviii}, no age group or region falls below 50% usage^{xxix}.

In research prior to the COVID-19 outbreak, a cashless society has been widely debated in relation to the inequality it supports, with people in poverty less likely to have access to a bank account or relying on being paid in cash.

The 2019 Access to Cash Review found that 17% of the UK population are unsure of how they would cope, or would not cope at all in a cashless society^{xxx}. The reasons given are varied, but included 2% who cared for an elderly or disabled relative who mainly bought things using cash and 4% relying on other people (e.g. their carer or family member) to buy things for them and they pay them in cash.

References

Thank you to all the respondents who fed into this review at short notice

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ⁱⁱⁱ [UK Payment Markets Summary](#)

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^v [The Golden Generation, MICRA](#)

^{vi} [Financial Inclusion in a Digital Age, 2018](#)

^{vii} [Are We really Ready To Go Cashless, Age UK](#)

^{viii} [Financial Inclusion in a Digital Age, 2018](#)

^{ix} [How to book supermarket delivery slots for vulnerable people, Hello! Magazine](#)

^x [Food Home Delivery and Support groups, North Yorkshire County Council](#)

^{xi} [Post office makes access to cash products available faster, My News Desk](#)

^{xii} [Age-friendly banking: What it is and how you do it, Age UK](#)

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^{xiv} [How to open a Starling bank account, Starling](#)

^{xv} [How to open a monzo account, Monzo](#)

^{xvi} [Ordering a disposable virtual card, Revolut](#)

^{xvii} [Guide for those forced to isolate due to COVID-19 in relation to obtaining shopping and prescriptions, North Yorkshire CC](#)

^{xviii} [Volunteer Shopping Card, Asda](#)

^{xix} [Working to Feed the Nation, Sainsbury's](#)

^{xx} [Waitrose launches shopping card for isolating customers, Good Housekeeping Guide](#)

^{xxi} [Guide for those forced to isolate due to COVID-19 in relation to obtaining shopping and prescriptions, North Yorkshire CC](#)

^{xxii} [Swish Payments, NS Banking](#)

^{xxiii} [Guide for those forced to isolate due to COVID-19 in relation to obtaining shopping and prescriptions, North Yorkshire CC](#)

^{xxiv} [Age-friendly banking: What it is and how you do it, Age UK](#)

^{xxv} [Guide for those forced to isolate due to COVID – 19 in relation to obtaining shopping and prescriptions](#)

^{xxvi} [The WHO has clarified that they aren't warning people against using paper money due to coronavirus, Full Fact.org](#)

^{xxvii} [The WHO has clarified that they aren't warning people against using paper money due to coronavirus, Full Fact.org](#)

^{xxviii} [UK Payment Markets Summary](#)

^{xxix} [UK Payment Markets Summary](#)

^{xxx} [Is Britain Ready to go Cashless, Access to Cash Review](#)

Ambition for Ageing is a Greater Manchester level programme aimed at creating more age-friendly places and empowering people to live fulfilling lives as they age.

We do this by providing small investments to help develop more age-friendly neighbourhoods in Greater Manchester in addition to funding larger scale work across the city-region. As a research project, we are committed to sharing the learning we gain from the programme to help influence local, regional and national policy. Ambition for Ageing is part of Ageing Better, a programme set up by The National Lottery Community Fund, the largest funder of community activity in the UK.



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